Montana Legislative Fiscal Division Revenue Source Profile

Updated through June 2014

Metalliferous Mines Tax

Revenue Description

The metalliferous mines license tax is imposed on the production of metals, gems or stones in the state. The tax rate is applied to the gross value of the product, which is defined as the market value of the commodity multiplied by the quantity produced. The first \$250,000 of value is exempt from taxation. A company taxed at both rates can claim both exemptions.

Statutory Reference

Tax Rate - 15-37-103, MCA

Tax Distribution – <u>15-37-117</u>, MCA; <u>17-2-124(2)</u>, MCA

Date Due – August 15th for the period January through June, March 31st for the period July through December (15-37-105, MCA)

Applicable Tax Rates

The tax rate based on gross value for a 6-month period is shown in the table below. Gross value is defined as monetary amounts or refined metal received for the products, less the following deductions:

- Basic treatment and refinery charges
- Transportation costs from the mine to a mill or other processor
- Quantity and price deductions
- Interest
- Penalty metal, impurity and moisture deductions

Metalliferous Mines Tax Rates						
	Gross Value	Tax Rate				
For concentrates shipped to a smelter, mill or reduction work:	\$0-\$250,000	Exempt				
	\$250,000+	1.81%				
For gold, silver, or any platinum group metal that is dore,	\$0-\$250,000	Exempt				
bullion, or matte and that is shipped to a refinery:	\$250,000+	1.6%				

Collection Frequency: Biannually



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Distribution

The distribution of the metal mines tax has been altered several times; the changing allocations are shown in the following table.

Metalliferous Mines Tax Distribution						
	FY 1998	FY 2000		FY 2004	FY 2006	FY 2008
Account Name	to FY 1999	to FY 2002	FY 2003	to FY 2005	to FY 2007	& Beyond
General Fund	58.0%	58.0%	58.0%	65.0%	58.0%	57.0%
Counties *	25.0%	25.0%	24.0%	24.0%	24.0%	25.0%
Hard Rock Reclamation Debt Service	0.0%	0.0%	0.0%	8.5%	8.5%	8.5%
Natural Resources Operations	0.0%	4.8%	7.0%	0.0%	7.0%	7.0%
Hard Rock Mining	1.5%	1.5%	2.5%	2.5%	2.5%	2.5%
RIT Trust	15.5%	0.0%	0.0%	0.0%	0.0%	0.0%
Groundwater Assessment	0.0%	2.2%	0.0%	0.0%	0.0%	0.0%
Abandoned Mines	0.0%	8.5%	0.0%	0.0%	0.0%	0.0%
Orphan Share	0.0%	0.0%	<u>8.5%</u>	0.0%	0.0%	0.0%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
* Statutorily appropriated						

Revenue History

	enue nistory						
	Fiscal <u>Year</u>	Total Collections \$ Millions	General Fund \$ Millions	General Fund <u>% Change</u>	Metalliferous Mines Tax		
AAAAAAAAAAAAAAAAAAAA	1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013	\$7.855 6.595 6.521 6.230 5.259 6.941 4.649 3.978 5.700 4.661 5.924 5.740 7.056 5.572 9.076 12.435 15.774 18.902 10.514 11.476 14.204 17.562 17.630	\$4.639 3.966 4.031 3.613 3.050 4.026 2.696 2.307 3.306 2.703 3.417 3.329 4.586 3.232 5.264 7.028 8.991 10.774 5.993 6.541 8.097 10.010 10.049	% Change N/A -14.5% 1.6% -10.4% -15.6% 32.0% -33.0% -14.4% 43.3% -18.2% 26.4% -2.6% 37.8% -29.5% 62.9% 33.5% 27.9% 19.8% -44.4% 9.2% 23.8% 23.6% 0.4%	\$18 - \$16 - \$14 - \$12 - \$10 -		
F	2014	13.943	7.948	-20.9%	— Total — General Fund		

